

GUIDE TO COMPLETING THE Washington State Combined Excise Tax Return

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Monthly/Quarterly Filers August 1999

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Electronic Filing

Business owners can now file and pay their Washington State taxes directly over the Internet. Electronic Filing (ELF) is an easy-to-use, intuitive system that walks taxpayers through the return process, calculates taxes automatically, flags errors and omissions, and provides instant online access to the latest tax information. ELF is a secure system protected by sophisticated encryption and passwords. It allows you to customize your tax return and delivers an electronic confirmation message when it's received. Filing taxes with ELF takes less than 10 minutes and it's **free** to every Washington State business owner. To learn more about ELF and to see if you qualify, visit the Department of Revenue's web site at http://dor.wa.gov or call toll-free 1-877-FILE-ELF.



For Your Information

The Guide to Completing the Washington State Combined Excise Tax Return is written to assist you with the mechanical aspects of completing the tax return. Although the Guide discusses general tax applications, it is not intended to cover every situation in which tax is due. Under Washington's tax laws, responsibility for filing tax returns and accurately reporting tax liability rests solely with the taxpayer. For this reason, we encourage you to review the rules, Washington Administrative Code (WAC), and laws, Revised Code of Washington (RCW) that apply to your specific business activities.

Tax Return Due Dates: Due dates are printed on the tax return. Returns are mailed approximately 4-6 weeks before the due date. If you do not receive your tax return, it is still your responsibility to report and pay taxes by the due date. Due dates are:

Monthly Returns - The 25th day of the month following the close of the reporting month.

Quarterly Returns - The last day of the month following the close of the quarter.

Annual Returns - January 31.

If the due date falls on a weekend or legal holiday, the due date for the return is the next business day.

Reporting No Business Activity: If you had no business activity for the period, check the No Business Activity box above the signature line. Please sign and date the return and include a daytime phone number. Make a copy for your files and mail the original return in the self-addressed envelope provided. You may also call Department of Revenue's (DOR) 24-hour automated attendant to file a no business tax return at (800) 647-7706.

Rounding: Please round off to the nearest whole dollar by dropping amounts that are less than 50 cents and rounding up amounts that are 50 cents or more. For example, if your

gross sales for the reporting period total \$12,123.48, enter \$12,123 on the return. If your gross sales for the period total \$23,334.50, enter \$23,335 on the return. Round off all amounts, even the calculated tax due. If you have to add two or more figures to determine the amount to enter on a line, include cents when adding and then round off the total.

DOR Tax Reporting Account Number: The nine-digit number on the line above your name and address on the Combined Excise Tax Return is the Tax Reporting Account Number. This number is unique to you and your business. Please be sure to write this number on the Deduction Detail pages and your check.

601 600 600 SMITH JANE D 123 XXX ST NE SOME CITY, WA 98501-1234

Amended Returns: To amend returns filed for a prior period, you may:

- 1. Make a copy of the original return, line through the incorrect figures and write in the correct figures; or
- 2. Use blank tax returns, with correct figures.

Please make sure each amended return is marked *Amended* and contains your business name, DOR Tax Reporting Account Number (registration number), reporting period, and a **detailed explanation of why the original figures need amending**. To receive a copy of *How to Amend Your Combined Excise Tax Return*, please call (800) 647-7706.

For Further Assistance: If you need further assistance completing the tax return or have questions about the taxability of your business activities, contact your local Department of Revenue office or the Telephone Information Center. The Information Center also provides numerous automated services that are available 24-hours a day. See page 20 of this guide.

EXPRESS ...

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Instructions for Completing the Combined Excise Tax Return

SECTION I, STATE BUSINESS AND OCCUPATION TAX

Business & Occupation Tax, Lines 1-15

- 1. Review the definitions of the business and occupation (B&O) tax classifications on pages 8-10 of this guide. Locate the proper tax classification for your business activities on page 1 of the tax return, lines 1-15.
- 2. In column 1, on the line for the appropriate B&O tax classification, write the gross income, gross proceeds of sales, or the value of products resulting from your Washington business activities.
- 3. There are no deductions for the cost of doing business, such as labor, materials, overhead, etc. However, the statute allows certain deductions. To determine if you have deductible income for column 2, refer to the deduction definitions on pages 13-16 of this guide. For allowable deductions, follow these steps:
 - a) On page 3, Deduction Detail, locate the column that corresponds to the line number of your B&O tax classification on page 1 of the tax return. For example, if you report wholesale sales on line 9 and you have deductions for column 2, you must identify those deductions on page 3 under the column titled *Ln 9-Wholesaling*.
 - b) Write the amount of your deduction across from the appropriate deduction type and under the correct line number and classification.
 - c) Write the total amount of deductions in the total box.
 - d) Transfer the amount in the total box to column 2 of the corresponding line (tax classification) on page 1.
- 4. Subtract column 2 from column 1 on page 1 of the tax return. Write this amount in column 3. This is your taxable amount.
- 5. Multiply each taxable amount in column 3 by the rate in column 4 and write this amount in column 5.
- 6. Total the amounts in column 5, lines 1-15, and write this amount in the *Total B&O Tax* box.

SECTION II, STATE AND LOCAL SALES AND USE TAX

State Retail Sales Tax, Line 16

- 1. On line 16, column 1, copy the amount from line 15, column 1. Amounts on lines 15 and 16, column 1, **must be the same**. (Exception: If you are a printer <u>and publisher</u>, or a processor for hire, see page 8 of this guide.)
- 2. The statute allows certain sales tax deductions. To determine if you have deductible income for column 2, refer to the deduction definitions on pages 13-16 of

- this guide. For allowable sales tax deductions, follow these steps:
- a) Locate the column titled *Ln 16-Retail Sales* on page 4, Deduction Detail, of the tax return. This corresponds with line 16, retail sales tax, on page 1.
- b) Write the amount of your deduction across from the appropriate deduction type and under the correct line number and classification.
- c) Write the total amount of deductions in the total box.
- d) Transfer this amount to line 16, column 2 on page 1.
- 3. Subtract column 2 from column 1 on page 1 of the tax return. Write this amount in column 3. This is your taxable amount.
- 4. Multiply the taxable amount in column 3 by the rate shown in column 4 and write this amount in column 5.

Local Sales Tax, Lines 18-22

- 1. On lines 18-22, write the location code(s) and rate(s) in the appropriate columns for each location where retail sales took place. For local tax codes and rates, refer to the *Tax Return Information and Local Sales and Use Tax Changes* flyer sent with the tax return each quarter. If more space is needed, use *Supplement Form 40 2406* on page 19 of this guide.
- 2. Write your taxable amount for each location code in the Taxable Amount column.
- 3. Total the amounts in the Taxable Amount column and write this amount in the total box. **This amount must be the same as line 16, column 3**.
- 4. Multiply each taxable amount by the rate. Write the amount(s) in the Tax Due City or County column. **Do not include Regional Transit Authority tax here** (see pages 3 and 10 of this guide).
- 5. Total the amounts in the Tax Due City or County column and write this amount in the *Total Local Sales Tax* box.

Determining Location Codes (WAC 458-20-145)

Sales of Tangible Personal Property Originating in Washington State: Businesses making sales of products must use the location code that corresponds to the place from where the product was delivered. Usually this is the retail outlet where the sale occurs. If the delivery is made from a warehouse at a separate location, the location of the warehouse determines the correct location code.

Example: A customer from Gig Harbor orders goods from a store located within the city limits of Tacoma. It makes no difference whether the customer picks up the goods, or the Tacoma store makes the delivery. The sale occurs at the Tacoma store. Thus, the location code and rate for Tacoma applies. Sales of Tangible Personal Property Originating in Another State: Businesses making sales of goods that originate in another state must use the location code and tax rate that corresponds to the location of the in-state facility, office, agent or other representative that participates in the sale. The buyer's location will determine the location code and tax rate only if the seller has no in-state facility, outlet, agent or other representative that participates in the sale.

- Example: A customer from Olympia orders goods from a business in San Francisco, California. The seller has a representative who lives in Federal Way. Thus, the location code and tax rate for Federal Way applies.
- Example: A customer from Wenatchee orders goods from a Minneapolis, Minnesota company that does not maintain an in-state facility, office, agent, or other representative. The location code and tax rate for Wenatchee applies.

Sales of Retail Services, Installation and Construction:

Businesses performing retail services or selling products requiring significant installation must use the location code that corresponds to the place where the service or installation occurs.

* Example: A Bellevue store sells carpet to a Redmond customer. As a condition of sale, the Bellevue store agrees to install the carpet in the customer's Redmond home. The Bellevue store will collect sales tax at the Redmond rate. (If the Bellevue store merely delivers the carpet without installation, the sale is subject to tax at the Bellevue rate. See prior example for sales of tangible personal property.)

Lease or Rental of Tangible Personal Property:

For short-term leases, the seller's (lessor) location determines the applicable tax rate. Short-term leases are generally for less than 30 days and do not require periodic payments.

Example: A Spokane business rents a rototiller to a customer in Airway Heights for two days. The business will collect the applicable rate for Spokane.

For long-term leases, the customer's (lessee) location determines the applicable tax rate. Long-term leases are generally longer than 30 days and require periodic payments.

* Example: A person in Yakima enters into a 36-month vehicle lease with a Seattle leasing company. The Seattle company will collect the applicable rate for Yakima.

If you have any questions about properly coding local sales and use tax, please contact your nearest Department of Revenue office, or call (360) 902-7170.

Reporting Local Sales and Use Tax Rate Changes (WAC 458-20-199; -235)

Special instructions apply if local tax jurisdictions change tax rates or, due to incorporation, change their four-digit location codes in the middle of a reporting period.

* Example: Vancouver imposed a new tax rate effective March 1, 1999. For sales taking place in Vancouver before March 1, the local tax rate was .011. Sales taking place after March 1 are taxed at .012.

Monthly Taxpayers: For income received in March (new rate) for work completed in February (old rate), the tax return filed for February should be amended. See For Your Information at the front of this guide for amending the tax return.

Quarterly Taxpayers: Report the following on the quarterly tax return:

	. SALES TAX (En axable Amount, m					e 45 unt
Line No.	Location Code	Taxable A	Amount	Rate	Tax Due City or	Co.
18	0605	3 ,0	00 00	.011	33	00
19	0605	2,0	000 00	.012	24	00
20	/					
21	Reflects Januar	y and		Reflects M	larch income	
22	February in	come				
LOC	TOTAL AL SALES TAX	5,0	000 00		57	00

Example: The city of Kenmore incorporated as of September 1, 1998. For sales taking place before September 1, the local tax is coded to 1700. Sales taking place after September 1 are coded to the new location code of 1738.

Monthly Taxpayers: For income received in September (new code), for work completed in August (old code), the tax return filed for August should be amended. See For Your Information at the front of this guide for amending the tax return.

Quarterly Taxpayers: Report the following on the quarterly tax return:

	LOCAL SALES TAX (Enter applicable rate of tax) Code 45 Total Taxable Amount, must be the same as line 16, column 3, Taxable Amount							
Line No.	Location Code	Taxable Amou	ınt	Rate	Tax Due City or Co.			
18	1700	3,000	00	.017	51	00		
19	1738	2,000	00	.017	34	00		
20								
21	Reflects Jul	ř		Reflects	September income	•		
22	August in	come						
LOCA	TOTAL AL SALES TAX	5,000	00		85	00		

State Use Tax, Line 17

- 1. Write the value of goods used on line 17, column 1.
- 2. Multiply the amount in column 1 by the rate shown in column 4. Write this amount in column 5, line 17.

Local Use Tax, Lines 23-25

- 1. On lines 23-25, write the location code(s) and rate(s) in the appropriate columns for each location in which tax is due. For local tax codes and rates, see the *Tax Return Information and Local Sales and Use Tax Changes* flyer sent with the tax return each quarter. If more space is needed, use *Supplement Form 40 2406* on page 19 of this guide.
- 2. Write your taxable amount for each location code in the Taxable Amount column.
- 3. Total the amounts in the Taxable Amount column and write this amount in the total box. **This amount must be the same as line 17. column 1**.
- 4. Multiply the taxable amount for each location by the rate. Write the result(s) in the Tax Due City or County column.
- 5. Total the amounts in the Tax Due City or County column and write this amount in the *Total Local Use Tax* box.

Total State Sales and Use Tax, Lines 16-17

- 1. Total the amounts in column 5, lines 16-17.
- 2. Write this amount in the *Total State Sales & Use Tax* box.

Regional Transit Authority (RTA) Tax, Line 26

- 1. Do not include RTA tax with the local sales tax and/or use tax computation.
- 2. Review the definition of this tax on page 10 of this guide. For sales occurring within RTA boundaries of King, Pierce, and Snohomish counties, write the taxable amount in the Taxable Amount column on line 26.
- 3. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

King County Food and Beverage Tax, Line 27

- 1. Do not include King County Food and Beverage Tax with the local sales tax computation.
- 2. Review the definition of this tax on page 10 of this guide. Write the taxable amount in the Taxable Amount column on line 27.
- 3. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

Litter Tax, Line 28

- 1. Review the definition of this tax on page 10 of this guide or see WAC 458-20-243 for further explanation.
- 2. Write the gross proceeds of sales for applicable products in the Taxable Amount column on line 28.
- 3. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

Totals, Page 1

- 1. Total all tax due amounts on page 1. This includes totals for B&O Tax, State Sales and Use Tax, Local Sales and Use Tax, RTA Tax, King County Food and Beverage Tax, and Litter Tax. Write the total on line 29.
- 2. If you do not have lodging taxes, state public utility taxes or other taxes, skip to Section VI, Credits.

SECTION III, LODGING TAXES

The *Tax Return Information and Local Sales and Use Tax Changes* flyer sent with your tax return each quarter includes the correct rates for Lodging Taxes. To report lodging locations, use the same location codes as for reporting local sales tax. For lodging tax classification definitions, see pages 10-11 of this guide.

Transient Rental Income Information, Lines 37-38

- 1. Write the four-digit location code(s) on page 2, lines 37-38, in the appropriate column.
- 2. Write the income from transient lodging for each location code in the Income column. There is no tax computation required for lines 37-38. Write "0" if there was no lodging income for the reporting period.

Convention and Trade Center Tax, Lines 39-41

- 1. Write the location code(s) and rate(s) for each location in the appropriate columns on page 2, lines 39-41.
- 2. Write the taxable amount for each location in the Taxable Amount column.
- 3. Multiply the taxable amount by the rate and write this amount in the Tax Due column.
- 4. Total the amounts in the Tax Due column and write this amount in the *Total Convention & Trade Center Tax* box.

Special Hotel/Motel Tax, Lines 42-44

- 1. Write the location code(s) and rate(s) for each location in the appropriate columns on page 2, lines 42-44.
- 2. Write the taxable amount for each location in the Taxable Amount column.
- 3. Multiply the taxable amount by the rate and write this amount in the Tax Due column.
- 4. Total the amounts in the Tax Due column and write this amount in the *Total Special Hotel/Motel Tax* box.

SECTION IV, STATE PUBLIC UTILITY TAX

State Public Utility Tax, Lines 45-51

1. Review the definitions of the public utility tax classifications on page 11 of this guide. Locate the proper tax classification for your public utility activities on page 2 of the tax return, lines 45-51.

- 2. In column 1, on the line for the appropriate public utility tax classification, write the gross income from your public utility activities.
- 3. The statute allows certain deductions for the public utility tax. To determine if you have deductible income for column 2, refer to the deduction definitions on pages 13-16 of this guide. For allowable deductions, follow these steps:
 - a) On page 4 of the Deduction Detail, locate the column that corresponds to the line number of your Public Utility tax classification on page 2 of the tax return. For example, if you report income for urban transportation activities on line 50 and you have deductions for column 2, you must identify those deductions on page 4 under the column titled *Ln 50-Urban Trans*.
 - b) Write the amount of your deduction across from the appropriate deduction type and under the correct line number and classification.
 - c) Write the total amount of deductions in the total box.
 - d) Transfer this amount to column 2 of the corresponding line (tax classification) on page 2.
- 4. Subtract column 2 from column 1 on page 2 of the tax return. Write this amount in column 3. This is your taxable amount.
- 5. Total column 3, lines 45-51. To determine if public utility tax is due, review the following:
 - a) You are below the taxable minimum if the combined total of all taxable amounts in column 3 is less than \$2,000 per month or less than \$6,000 per quarter. If this is the case, write 0 (zero) in column 5. Public Utility tax is not due.
 - b) If the combined total of all taxable amounts in column 3 is equal to or greater than \$2,000 per month or equal to or greater than \$6,000 per quarter go to step 6.
- 6. Multiply each taxable amount in column 3 by the rate shown in column 4 and write this amount in column 5.
- 7. Total the amounts in the Tax Due column and write this amount in the *Total State Public Utility Tax* box.

SECTION V, OTHER TAXES

Review the definitions of other taxes on pages 11-12 of this guide. Locate the proper tax classification for these taxes on page 2 of the tax return, lines 52-57. It is important to note that gross income under the tobacco products, petroleum, and hazardous substances taxes is based on the wholesale value of the product. The solid fuel burning device fee is based on the number of devices sold while the syrup tax is based on the number of gallons sold.

Other Taxes, Lines 52-55

- 1. In column 1 on the line for the appropriate tax, write the gross amount.
- 2. The statute provides certain deductions for income reported on lines 52-55. To determine if you have

- deductible income for column 2, refer to the deduction definitions on pages 13-16 of this guide. For allowable deductions, follow these steps:
- a) On page 4 of the Deduction Detail, locate the column that corresponds to the line number of your tax classification on page 2 of the tax return. For example, if you report sales of tobacco products on line 52 and you have deductions for column 2, you must identify those deductions on page 4 under the column titled *Ln 52-Tobacco*.
- b) Write the amount of your deduction across from the appropriate deduction type and under the correct line number and classification.
- c) Write the total amount of deductions in the total box.
- d) Transfer this amount to column 2 of the corresponding line (tax classification) on page 2 of the tax return.
- 3. Subtract column 2 from column 1 on page 2 of the tax return. Write this amount in column 3. This is your taxable amount.
- 4. Multiply each taxable amount in column 3 by the rate in column 4 and write this amount in column 5.

Lines 56-57

- Write the number of items sold in the Quantity Sold column.
- 2. Multiply this amount by the rate shown and write this amount in the Tax Due column.

Total Other Taxes, Lines 52-57

- 1. Total the amounts in the Tax Due columns, lines 52-57.
- 2. Write this amount in the *Total Other Taxes* box.

Totals, Page 2

- 1. Total all Tax Due amounts for page 2. This includes Convention and Trade Center Tax, Special Hotel/Motel Tax, State Public Utility Tax, and Other Taxes.
- 2. Write this amount on line 30, page 1.

SECTION VI, CREDITS

Credits, Lines 58-69

- 1. Review the credit definitions on pages 12-13 of this guide and enter the credit amount(s) on the appropriate line(s), excluding the Small Business B&O Tax Credit, line 64.
- To calculate the Small Business B&O Tax Credit, total all B&O credits, lines 58-63, and subtract from the total B&O liability on page 1, Section I, to reach your net B&O tax.
 - a) Find the total net B&O tax due in the following table according to your reporting frequency.

- b) Read across to the next column. This is the amount of your Small Business B&O Tax Credit. (If your total net B&O tax due is less than \$36 for monthly filers, and \$106 for quarterly filers, the Small Business B&O Tax Credit is equal to your net B&O tax due.)
- c) Write the amount on line 64.

	Monthly Table								
If Your Total Net B&O Tax is:		Your Small Business B&O Tax Credit is:	If Your T B&O T		Your Small Business B&O Tax Credit is:				
At Least	But Less Than		At Least	But Less Than					
\$0	\$36	Equal to the Amount of B&O Tax Due	\$51 \$56	\$56 \$61	\$20 \$15				
\$36	\$41	\$35	\$61	\$66	\$10				
\$41	\$46	\$30	\$66	\$71	\$ 5				
\$46	\$51	\$25	\$71	or more	\$ 0				

	Quarterly Table									
	Total Net Tax is:	Your Small Business B&O Tax Credit is:	If Your T B&O T		Your Small Business B&O Tax Credit is:					
At Least	But Less Than		At Least	But Less Than						
\$ 0	\$ 0 \$106 Equal to the Amount of B&O Tax Due		\$156	\$161	\$ 55					
ΨΟ			\$161	\$166	\$50					
\$106	\$111	\$105	\$166	\$171	\$45					
\$111	\$116	\$100	\$171	\$176	\$40					
\$116	\$121	\$ 95	\$176	\$181	\$35					
\$121	\$126	\$ 90	\$181	\$186	\$30					
\$126	\$131	\$ 85	\$186	\$191	\$25					
\$131	\$136	\$ 80	\$191	\$196	\$20					
\$136	\$141	\$ 75	\$196	\$201	\$15					
\$141	\$146	\$ 70	\$201	\$206	\$10					
\$146	\$151	\$ 65	\$206	\$211	\$ 5					
\$151	\$156	\$ 60	\$211	or more	\$ 0					

- 3. Total all credits, lines 58-69, and write this amount in the *Total Credit* box. Transfer this amount to Section VII, line 33 on page 1 of the tax return.
- 4. Attach any documents required to support your credit(s) to the tax return.

SECTION VII, TOTALS

Totals, Lines 29-36

- 1. Verify all totals from pages 1 and 2 have been transferred to Section VII on page 1.
- 2. Write any rental car tax due from the *Rental Car Tax Addendum* on line 31.
- 3. Add lines 29-31. Write the subtotal on line 32.
- 4. Subtract line 33 from line 32 and write the subtotal on line 34.
- 5. If you file this tax return after the due date printed on the front of the tax return, you owe a penalty. See penalty rates on the front of the tax return below the signature line. Multiply the penalty rate you owe by the subtotal on line 34, and write this amount on line 35. *
- 6. If reporting taxes for prior year(s), you may owe interest on line 36. Use the following steps for calculating:

- a) Count the number of days from the first day of the month following the month the return was due, to the date of payment (postmark date or date physically brought in to the office),
- b) Divide this figure by 365.
- c) Multiply the figure calculated in step b by 7% (.07) (interest rate for 1999).
- d) Multiply the figure calculated in step c by the amount owed on line 34 (not including penalties). This is the amount of interest due on line 36.

Please call your local Revenue office for more information (see page 19 of this guide).

7. Add lines 34-36, and write this amount in the *Total Amount Owed* box. This is the amount you owe.

* Late Filing Penalties, Line 35

Penalty is due on all delinquent returns. However, no penalty applies if no tax is due. If you are filing your return late and are requesting a waiver of the penalty, please check the box on the bottom of page 1 and attach your written request to the return. The request should explain the circumstances which caused your return to be late. The Department may waive or cancel the penalties or interest imposed upon finding that the failure to timely pay any tax was due to *circumstances beyond the taxpayer's control*. (WAC 458-20-228.)

FINISHING YOUR TAX RETURN

To help us process your tax return, please:

- 1. Make sure the gross amounts being reported occurred in the period and year printed at the top of the return.
- 2. If you have deductions, print your name and DOR Tax Reporting Account Number (Registration Number) on the top of page 3, Deduction Detail page.
- 3. Attach the Deduction Detail page and any credit schedules to your return.
- 4. Sign and date the return.
- 5. Write a daytime telephone number, including area code.
- 6. Make a copy of the return for your files.
- 7. Write your DOR Tax Reporting Account Number on your check (see *For Your Information* at the front of this guide).
- 8. Make the check payable to: Washington State Department of Revenue.
- 9. Do not staple your check to the return. Do not send cash or coin.
- 10. Mail the original return and payment, if due, in the self-addressed envelope enclosed with your return.

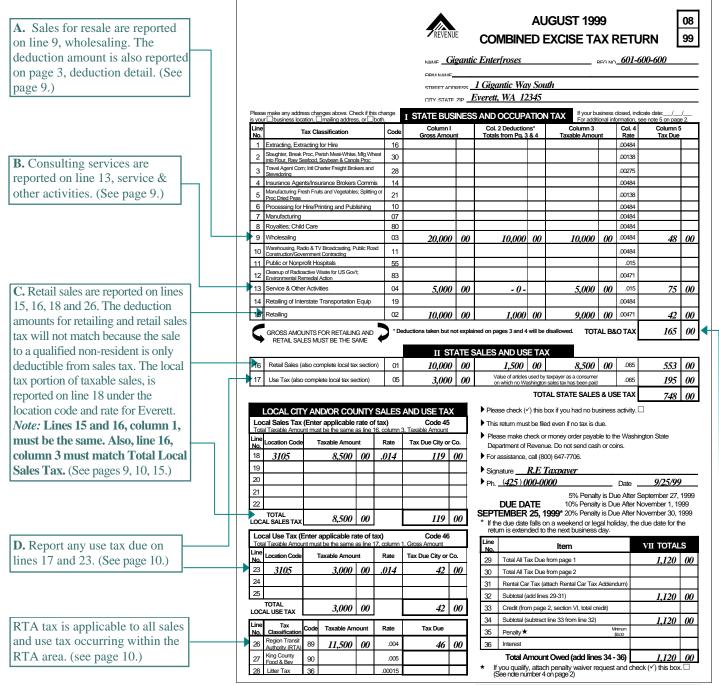
Sample Tax Return

This is an example of how a typical tax return may be completed. Your business may be subject to taxes other than the ones shown. You may also qualify for different deductions, credits and exemptions.

This is the August 1999 Combined Excise Tax Return completed for our fictional taxpayer, Gigantic Enterprises. An Everett-based company, located within RTA boundaries.

Gigantic Enterprises:

- A. Sold \$20,000 of products to dealers for resale, of which \$10,000 were delivered out-of-state;
- B. Performed \$5,000 worth of management consulting services;
- C. Sold \$10,000 of products to the consumers. Of these sales, \$1,000 were delivered out-of-state and \$500 were sold to a qualified non-resident;
- D. Purchased a computer from an Oregon firm for \$3,000 without paying sales tax.



Gigantic is not eligible for the Small Business B&O Tax Credit because the B&O tax for the month is greater than \$71. (See page 10.)

Sample Tax Return, Deduction Detail Pages

These are the August 1999 Deduction Detail pages for Gigantic Enterprises, an Everett-based company selling products to dealers and consumers and providing management consulting services. Please complete the deduction detail page if you are taking deductions. Remember that deductions taken but not explained will be disallowed. If you need more space to explain a deduction, please attach an explanation.

A. \$10,000 of the \$20,000 wholesale sales were delivered out-of-state and are deductible as interstate and foreign sales. Record the \$10,000 deduction under line 9, deduction I.D. 0304. (See page 15.)

If you are also claiming deductions from retailing business and occupation tax, please complete Ln (Line) 15 deduction detail, Page 3. Not all deductions are allowable from both retailing and

AUGUST 1999 DEDUCTION DETAIL

99

- Deductions claimed on pages 1 or 2 of the Combined Excise Tax Return but not listed on this form will be disallowed.
 The heading "Ln" is an abbreviation for the word "Line" followed by a number (for example, Ln 1, Ln 2, etc.) which refers to the line number of the tax classification reported on pages 1 and 2 of the return. For example, Ln 15 is the same as the retailing classification.
 Report deductions under the heading that corresponds to your reporting activity.
- Transfer the total amount of each deduction from this form to the corresponding line number on pages 1 & 2, column 2, of your return.
 Shading on a line indicates that the deduction is not allowable.

IF COMPLETING, FILL OUT NAME, REGISTRATION NUMBER AND ATTACH TO COMBINED EXCISE TAX RETURN.

DEDUCTION	I.D.	Ln 1-Extractin	g	I.D.	Ln 2-Slaughte	r	I.D.	Ln 3-Travel Age	nt	I.D.	Ln 4-Insurance	e.
Bad Debts	1601			3001			2801			1401		Т
Cash & Trade Discounts	1602			3002			2802					I
Other (Explain):	1699			3099			2899			1499		Т
TOTAL												Τ
DEDUCTION	I.D.	Ln 5-Manuf. Fre	sh	I.D.	Ln 6-Processing	g	I.D.	Ln 7-Manufactu	ring	I.D.	Ln 8-Royaltie	s.
Bad Debts	2101			1001			0701			8001		Т
Cash & Trade Discounts	2102			1002			0702			8002		T
Freight	2103			1003			0703					I
Advances Reimbursements Returns & Allowances	2107			1007			0707			8007		Τ
Other (Explain):	2199			1099			0799			8099		T
TOTAL												Ť
DEDUCTION	I.D.	Ln 9-Wholesal	ing	I.D.	Ln 10-Warehous	sing.	I.D.	Ln 11-Public or		I.D.	Ln 12-Cleanup	,
Bad Debts	0301			1101			5501			8301		T
Cash & Trade Discounts	0302			1102			5502			8302		T
Interstate & Foreign Sales	0304	10,000	00	1104						8304		Ť
Motor Vehicle Fuel Tax	0305											1
Casual Sales/Accommodation Sales	0306											1
Advances Reimbursements Returns & Allowances	0307			1107			5507			8307		Ī
No Local Activity	0308											1
Radio/TV Advertising				1109								1
Other (Explain):	0399			1199			5599			8399		Ī
TOTAL		10,000	00									t
DEDUCTION	I.D.	Ln 13-Service	&	I.D.	Ln 14-Retail. of	Int	I.D.	Ln 15-Retailin	g			•
Bad Debts	0401			1901			0201			Ī		
Cash & Trade Discounts	0402			1902			0202					
Interstate & Foreign Sales	0404			1904			0204	1,000	00		ou are also	
Motor Vehicle Fuel Tax							0205				iming	
Advances Reimbursements Returns & Allowances	0407			1907			0207				luctions fro	
No Local Activity							0208				ail sales tax	
Gambling/Prize/Cash Pay-Outs	0410										ase comple	t
Certain Initiation Fees/Dues/Contributions	0411										(Line) 16	_:
Interest on Certain Invest/Loan/Obligations	0412										duction deta	11
Casual Sales/Accommodation Sales							0213			pag	ge 4.	
Tax in Gross							0214			İ		
Consignment Sales				1915			0215			İ		
Artistic/Cultural Activities	0416			1916			0216			İ		
Prescription Drugs Sold by Publicly Operated/ Nonprofit Hospitals							0217		İ	İ		
Other (Explain):	0499			1999			0299			İ		
TOTAL						l –		1.000	00	f		

DEDUCTION	I.D.	Ln 16-Retail Sa	les	I.D.	Ln 45-Water Dis	st	I.D.	Ln 46-Sewer				TC
Bad Debts	0101	Lii 10 Hotaii oa		6001	Zii 40 Water Bi	_	6101	2.1. 40 00110.		4901		_
Cash & Trade Discounts	0102			6002			6102			4902		t
Interstate & Foreign Sales	0104	1.000	00	6004			0.02			4904		
Tax in Gross	0114	1,000	00									
Sales to U.S. Government	0118											
Motor Vehicle Fuel Sales	0119											
Prescription Drugs/Hearing	0121											
Aids/Lenses/etc Exempt Food Sales	0122											1
Qualified Nonresident Sales	0123	500	00									
Trade-in Allowance	0124	300	00									1
Newspapers	0125											1
Certain Network Telephone Service	0126											1
Sales to Indians With Delivery on the												1
Reservation	0128		-									⊢
Sales of Feed to Fish Farmers	0129		\vdash									
Taxable Amount for Tax Paid at Source	0130		\vdash									
Returns & Allowances Sales to Nonprofit Artistic/Cultural Art	0131		-									H
Objects for Displays	0132											
Ride-Sharing Vans	0134											
Purebred Livestock for Breeding	0135											
Tax Deferral/Investment Certificate No.	0136											
Amounts Paid to Another for Services				6039			6139			4939		
Amounts Received by Nonprofit Water				6040		_						
Association for Capital Projects Amounts from Distribution of Water						\dashv			Н			+
Through Irrigation Systems Amounts Expended to Improve Consumer			-	6041		_						-
Efficiency										4942		
Low Density/Wholesale Power Costs										4947		
Sale of Manufacturing Machinery/Equipment; Install Labor	0156											
Other (Explain):	0199			6099			6199			4999		
												T
TOTAL		1,500	00									
	I.D.	7		I.D.	Ln 49-Motor Tran	ıs	I.D.	Ln 50-Urban Tr	ans	I.D.	Ln 51-Other Pu	ıblic
TOTAL	I.D. 2601	1,500 Ln 48-Gas Dis		I.D. 0801	Ln 49-Motor Tran		I.D. 1201	Ln 50-Urban Tr	ans	I.D. 1301	Ln 51-Other Pu	ıblic
TOTAL DEDUCTION	_	7		_	Ln 49-Motor Tran			Ln 50-Urban Tr	ans	_	Ln 51-Other Pu	iblic
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts	2601	7		0801	Ln 49-Motor Tran		1201	Ln 50-Urban Tr	ans	1301	Ln 51-Other Pu	ıblic
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Interstate & Foreign Sales Amounts Paid to Another for Services	2601 2602 2604	7		0801 0802 0804	Ln 49-Motor Tran		1201 1202 1204	Ln 50-Urban Tr	ans	1301 1302 1304	Ln 51-Other Pu	ıblic
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Interstate & Foreign Sales Amounts Paid to Another for Services Jointly Provides	2601 2602 2604 2639	7		0801 0802 0804 0839	Ln 49-Motor Tran		1201 1202 1204 1239	Ln 50-Urban Tr	ans	1301 1302 1304 1339	Ln 51-Other Pu	ıblic
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Interstate & Foreign Sales Amounts Pald to Another for Services Jointly Provided Other (Explain):	2601 2602 2604	7		0801 0802 0804	Ln 49-Motor Tran		1201 1202 1204	Ln 50-Urban Tr	ans	1301 1302 1304	Ln 51-Other Pu	iblic
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Interstate & Foreign Sales Amounts Paid to Another for Services Jointly Provides	2601 2602 2604 2639	Ln 48-Gas Dis	t	0801 0802 0804 0839			1201 1202 1204 1239			1301 1302 1304 1339	Ln 55-	
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Amounts Paid Another for Services Jointly Provided Other (Explain): TOTAL DEDUCTION	2601 2602 2604 2639 2699	7	t	0801 0802 0804 0839 0899	Ln 49-Motor Tran		1201 1202 1204 1239 1299	Ln 50-Urban Tr		1301 1302 1304 1339 1399		
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Amounts Paid to Another for Services Jointly Provided Other (Explain): TOTAL DEDUCTION Bad Debts	2601 2602 2604 2639 2699	Ln 48-Gas Dis	t	0801 0802 0804 0839 0899			1201 1202 1204 1239 1299			1301 1302 1304 1339 1399	Ln 55-	
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Internate & Foreign Sales Amounts Paid to Another for Services Jointy Provided Other (Explain): TOTAL DEDUCTION Bad Debts Cash & Trade Discounts	2601 2602 2604 2639 2699 I.D.	Ln 48-Gas Dis	t	0801 0802 0804 0839 0899 I.D.			1201 1202 1204 1239 1299			1301 1302 1304 1339 1399	Ln 55-	
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Amounts Paids Ancher for Services Jointy Provided Other (Explain): TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales	2601 2602 2604 2639 2699 I.D.	Ln 48-Gas Dis	t	0801 0802 0804 0839 0899 I.D. 6401			1201 1202 1204 1239 1299 I.D.			1301 1302 1304 1339 1399 I.D.	Ln 55-	
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Amounts Paid to Another for Services Joseph Froutded Other (Explain): TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales James Foreign Sales Amounts Paid to Another for Services Joseph Froutded Amounts Paid to Another for Services Joseph Foreign Sales Amounts Paid to Another for Services Joseph Foreign Sales	2601 2602 2604 2639 2699 I.D.	Ln 48-Gas Dis	t	0801 0802 0804 0839 0899 I.D. 6401			1201 1202 1204 1239 1299 I.D.			1301 1302 1304 1339 1399 I.D.	Ln 55-	
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Amounts Paid to Another for Services Jointy Provided Other (Epplain): TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Sales to U.S. Government	2601 2602 2604 2639 2699 I.D. 2004 2018	Ln 48-Gas Dis	t	0801 0802 0804 0839 0899 I.D. 6401		oll.	1201 1202 1204 1239 1299 I.D.			1301 1302 1304 1339 1399 I.D.	Ln 55-	
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Amounts Paid to Another for Services Jointly Provided Other (Explain): TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Sales to U.S. Government Amounts Paid to Another for Services Particular Provider Sales Sales to U.S. Government Amounts Paid to Another for Services Petroleyen Products Exported Out of State Returned/Destroyed Goods	2601 2602 2604 2639 2699 I.D. 2004 2018	Ln 48-Gas Dis	t	0801 0802 0804 0839 0899 I.D. 6401 6418		oll.	1201 1202 1204 1239 1299 I.D.			1301 1302 1304 1339 1399 I.D.	Ln 55-	
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Amounts Paid Another for Services Jointly Provided Other (Explain): TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Amounts Paid to Another for Services Jointly Provided Other (Explain): TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Sales to U.S. Government Amounts Paid to Another for Services Provided to Another for Services Returned/Destroyed Goods Sales to U.S. Sales Soles (Service) Returned/Destroyed Goods Sales to U.S. Sales Soles (Service) Sales to U.S. Sales Soles (Service) Sales (Service) Sales (Serv	2601 2602 2604 2639 2699 I.D. 2004 2018	Ln 48-Gas Dis	t	0801 0802 0804 0839 0899 I.D. 6401 6418		oll.	1201 1202 1204 1239 1299 I.D.			1301 1302 1304 1339 1399 I.D.	Ln 55-	
TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Amounts Paid to Another for Services Jointly Provided Other (Explain): TOTAL DEDUCTION Bad Debts Cash & Trade Discounts Intentate & Foreign Sales Sales to U.S. Government Amounts Paid to Another for Services Particular Provider Sales Sales to U.S. Government Amounts Paid to Another for Services Petroleyen Products Exported Out of State Returned/Destroyed Goods	2601 2602 2604 2639 2699 I.D 2004 2018 2043	Ln 48-Gas Dis	t	0801 0802 0804 0839 0899 I.D. 6401 6418		DII.	1201 1202 1204 1239 1299 1.D 5746			1301 1302 1304 1339 1399 I.D.	Ln 55-	

DEDUCTION DETAIL (Continued)

C. \$1,000 of the products sold to consumers were delivered out-of-state and \$500 were sold to a qualified non-resident. Record the \$1,000 deduction under lines 15 and 16, deduction I.D.'s 0204 and 0104 respectively. The \$500 deduction is available only under retail sales tax; B&O tax is still due on the sale. Record the \$500 deduction under line 16, deduction I.D. 0123. (See pages 15 and 16.)

Note: No deductions are allowed for examples B and D on the previous page.

Tax Classification, Credit and Deduction Definitions

SECTION I, STATE BUSINESS AND OCCUPATION TAX

Line 1

Extracting, Extracting for Hire: Removing natural resources from land or water. Examples include logging, mining, quarrying, and fishing operations. Persons selling resources extracted in Washington must also report under line 9, wholesaling and/or line 15, retailing. A Multiple Activities Tax Credit (MATC, page 12) is available for persons extracting and selling natural resources in Washington. **Note:** A limited exemption is available to small timber harvesters. (WAC 458-20-135; -259)

Line 2

Slaughtering, Breaking and Processing Perishable Meat - Wholesale: Slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale. If perishable meat products are sold at retail in Washington, report on line 15, retailing and line 16, retail sales tax. See Exempt Food Sales deduction, page 14. (WAC 458-20-136)

Manufacturing Wheat into Flour, Soybean & Canola Processing: Manufacturing wheat into flour, soybeans into soybean oil, sunflower seeds into sunflower oil, and canola into canola oil, meal or canola byproducts. Persons selling these products in Washington must also report under line 9, wholesaling and/or line 15, retailing and line 16, retail sales tax. See MATC, page 12. Also, see Exempt Food Sales deduction, page 14. (WAC 458-20-136)

Raw Seafood Products: Manufacturing seafood products which remain in a raw frozen, raw salted, or in a raw state at completion of the manufacturing process. Persons selling these products in Washington must also report under line 9, wholesaling and/or line 15, retailing and line 16, retail sales tax. See MATC, page 12. See Exempt Food Sales deduction, page 14. (WAC 458-20-136)

Line 3

Travel Agent Commissions: Arranging transportation, lodging, meals, or other similar services which are purchased by the customer and where the travel agent or agency merely receives a commission for arranging the service. Persons engaged in arranging for and/or providing guided tours and guided charters which are for periods of more than one day. (WAC 458-20-258)

International Charter, Freight Brokers, and Stevedoring: International trade, brokering or cargo business, stevedoring, and associated activities of moving goods and commodities in waterborne foreign commerce. (WAC 458-20-193D)

Line 4

Insurance Agents/Insurance Brokers Commission: Insurance agents, brokers, or solicitors. The amount of gross commissions received and not the gross premiums paid by the insured determines gross income. (WAC 458-20-164)

Line 5

Manufacturing Fresh Fruits and Vegetables:

Manufacturing by canning, preserving, freezing or dehydrating fresh fruits and vegetables in Washington. Sales must also be reported under line 9, wholesaling and/or line 15, retailing and line 16, retail sales tax. See MATC, page 12. See Exempt Food Sales deduction, page 14. (WAC 458-20-136)

Splitting or Processing of Dried Peas: Splitting or processing dried peas in Washington. Persons selling these products in Washington must also report under line 9, wholesaling and/or line 15, retailing and line 16, retail sales tax. See MATC, page 12. See exempt Food Sales deduction, page 14. (WAC 458-20-136)

Line 6

Processing for Hire: Performing labor and mechanical services upon materials belonging to others resulting in a new, different or useful article of tangible personal property produced for sale or commercial or industrial use. If a person provides 20 percent or more of the value of materials, the income should be reported under the manufacturing classification. Persons who are processing for hire tangible personal property for consumers must also collect and report retail sales tax. Persons reporting under processing for hire are not subject to the retailing or wholesaling B&O tax with respect to these sales. Lines 15 and 16 will not be the same. (WAC 458-20-136)

Printing and Publishing: Printing and/or publishing of newspapers, magazines, and periodicals. Persons who both print & publish books, music, circulars, etc., report gross income, including advertising income, under printing & publishing. Persons who only publish books, music, circulars, etc., report advertising income on line 13, service & other activities. Persons selling printed and/or published material to consumers must also collect retail sales tax. Persons reporting under Printing and Publishing are not subject to the retailing or wholesaling B&O tax with respect to these sales. Lines 15 and 16 will not be the same. (WAC 458-20-143; -144)

Line 7

Manufacturing: Producing a new, different or useful substance or article of tangible personal property for sale or commercial or industrial use. Persons selling items must also report under line 9, wholesaling or line 15, retailing. For products manufactured and sold in Washington, see MATC, page 12. (WAC 458-20-136)

Line 8

Royalties: Income from royalties or charges in the nature of royalties for the granting of intangible rights. The term *royalties* means compensation for the use of intangible property such as copyrights, patents, licenses, franchises, trademarks, trade names, and similar items. This classification does not include compensation relating to natural resources, such as mining or drilling rights. Such income is taxable under the service and other activities classification. (RCW 82.04.2907)

Child Care: Care of children age 8 and above or enrolled in the first grade or above when provided in non-church facilities. Care provided to children under the age of 8 or enrolled in kindergarten or below is deductible under the *Other* deduction line (see page 15) per RCW 82.04.4282. Care provided to children in church facilities is exempt under RCW 82.04.339. (RCW 82.04.2905)

Line 9

Wholesaling: Sales of tangible personal property and/or labor performed for persons who resell the same in the normal course of business. Wholesalers must receive and retain a Resale Certificate from their customer. See page 20 for an example of the *Resale Certificate*. (WAC 458-20-102)

Line 10

Warehousing: Operating a storage warehouse. Note: Rental of cold storage lockers should be reported on line 13, service and other activities. The rental of ministorage units is exempt from the B&O tax. (WAC 458-20-182)

Radio and TV Broadcasting: Radio or TV broadcasting. (WAC 458-20-241)

Public Road Construction: Building, repairing or improving roads, transportation facilities, bridges, or like facilities owned by municipal corporations, political subdivisions of the state, or the federal government which are used primarily for foot or vehicular traffic. Persons reporting public road construction activities owe sales or use tax on all materials installed or used. Persons building, repairing, or improving roads for the state of Washington report on line 15, retailing. (WAC 458-20-171)

Government Contracting: Building, repairing or improving real property owned by the United States, its departments, institutions and instrumentalities, and city and county housing authorities. This classification applies only to construction contracts. Persons performing government contracting activities owe sales or use tax on all materials installed or used, regardless of supplier. Persons performing construction activities for state and local governments report on line 15, retailing. (WAC 458-20-17001)

Line 11

Public or Non-Profit Hospitals: Operating public or nonprofit hospitals. (RCW 82.04.260)

Line 12

Cleanup of Radioactive Waste for US Government: Cleanup of radioactive waste resulting from production of weapons or nuclear research and development when

of weapons or nuclear research and development when the work is done for the federal government. (RCW 82.04.050)

Environmental Remedial Action: Services relating to the identification, investigation, or cleanup of hazardous substances arising from a release or threatened release in one of four statutorily defined situations. Persons performing environmental remedial actions must obtain and keep a copy of the Department of Revenue's written confirmation that the property owner has provided certain certifications to the departments of Revenue and Ecology. Persons performing Environmental Remedial Action activities owe sales and/or use tax on all materials installed or used. (RCW 82.04.050; 82.04.2635)

Line 13

Service & Other Activities: This classification includes activities previously subject to tax under the selected business services and financial business services classifications and all other activities not otherwise classified. (WAC 458-20-224; RCW 82.04.290)

Line 14

Retailing of Interstate Transportation Equipment:

Retail sales or repair of equipment or component parts used in interstate transportation or used in conducting deep sea fishing operations outside territorial waters of Washington. The seller must receive an exemption certificate from the buyer.

(WAC 458-20-174; -175; -176)

Line 15

Retailing: Sales of goods and certain services to consumers. Taxable retail services include those generally performed on property, such as construction

and repair, but not professional services. Also includes escrow agencies, certain amusement activities, transient lodging, and specific consumer services, including landscape maintenance, health and fitness activities and day trips for sightseeing. (RCW 82.04.050)

SECTION II, STATE AND LOCAL SALES AND USE TAX

Line 16

Retail Sales Tax: Retail sales tax applies to the sale, rental, repair, or installation (including labor) of tangible personal property purchased by consumers for their use (not for direct resale or as an ingredient used to produce or process an article for resale). Transient lodging and some amusement, personal services, and recreational activities are retail sales. Construction (materials and labor) performed for consumers is a retail activity. This line represents the state portion of the total sales tax collected. For local and regional taxes see *Local Sales Tax, Lines 18*–22 and *Regional Transit Authority Tax, Line 26* below. (RCW 82.04.050; 82.08.020)

Line 17

Use Tax: Use tax applies to all tangible personal property used in Washington upon which the state's sales or use tax has not been paid. The tax is based on the value of the goods at the time of first use in Washington. The purchase price generally determines the value of items. No deductions are allowed from use tax. However, there is a credit for the amount of sales and use tax paid by the user in another state. This line represents the state portion of the total use tax owed. For local and regional taxes, see *Local Use Tax, Lines 23-25* and *Regional Transit Authority Tax, Line 26* below. (WAC 458-20-178)

Lines 18-22

Local Sales Tax: Businesses collect both the state and local sales tax. For local tax codes and rates, refer to the *Tax Return Information and Local Sales and Use Tax Changes* flyer. (WAC 458-20-145)

Lines 23-25

Local Use Tax: For local tax codes and rates, refer to the *Tax Return Information and Local Sales and Use Tax Changes* flyer. (WAC 458-20-145) **Note:** Sales/use tax may be due **each** time the property passes to a new owner for use in Washington.

Public Road Construction/Government Contracting/ Environmental Remedial Actions: If you are involved in government contracting, public road construction activity, or environmental remedial actions, you owe retail sales tax or use tax on all materials installed, applied, attached, or otherwise incorporated in your project. Persons involved in these activities are the consumers of all materials. (RCW 82.04.190)

Line 26

Regional Transit Authority (RTA) Tax: Retail sales occurring within the RTA boundaries (portions of King, Pierce and Snohomish Counties) are subject to an additional tax of four-tenths of one percent (.004). Businesses or persons located within the RTA area who owe use tax on tangible personal property will also owe the additional .004 on all items subject to the use tax. Maps outlining the RTA boundaries can be obtained by contacting your local Revenue office or by calling (800) 647-7706. (RCW 81.104.170)

Line 27

King County Food & Beverage Tax: Sales of food and beverages in King County restaurants, taverns and bars which are subject to retail sales tax are also subject to this additional tax of one-half of one percent (.005). (WAC 458-20-12401)

Line 28

Litter Tax: Manufacturers, wholesalers and retailers making sales of products in 13 categories (WAC 458-20-243) which contribute to the litter problem in this state are subject to the litter tax. Beginning January 1, 1999, litter tax is due on each tax return. This means persons reporting on a monthly basis will pay the tax each month while persons reporting quarterly will pay the tax each quarter. (WAC 458-20-243; RCW 82.19.010)

SECTION III, LODGING TAXES

Lines 37-38

Transient Rental Income Information: Lodging provided for periods less than 30 consecutive days by hotels, motels, tourist courts, trailer camps, RV parks, bed and breakfasts, campsites, etc. To report transient rental income, use the same location code as for reporting local sales tax. This is not an additional tax. (WAC 458-20-166)

Lines 39-41

Convention and Trade Center Tax: King County hotels/motels must collect an additional convention and trade center tax. To report the tax, use the same location code as for reporting local sales tax. For local tax codes and rates, refer to the *Tax Return Information and Local Sales and Use Tax Changes* flyer. (WAC 458-20-166)

Lines 42-44

Special Hotel/Motel Tax: Hotels/motels, RV parks, or any other type of lodging in certain areas must collect additional special hotel/motel taxes. To report the tax, use the same location code as for reporting local sales tax. For information about which areas impose the additional tax and tax rates, see the *Tax Return Information and Local Sales and Use Tax Changes* flyer. (WAC 458-20-166)

SECTION IV, STATE PUBLIC UTILITY TAX

Line 45

Water Distribution: Operation of a plant or system, including nonprofit, for the distribution of water for hire or sale. (WAC 458-20-179)

Line 46

Sewer Collection: Collection of sewerage. **Note:** The transfer, storage, treatment and disposal of sewerage is subject to the service and other activities B&O tax, line 13. (WAC 458-20-251)

Line 47

Power: Operation of a plant or system for the generation, production, or distribution of electrical energy for hire or sale. (WAC 458-20-179)

Line 48

Gas Distribution: Operation of a plant or system for the production or distribution, for hire or sale, of natural and/or manufactured gas. (WAC 458-20-179)

Telegraph: Operation of a telegraph service. (WAC 458-20-179)

Line 49

Motor Transportation: Operation of any motorpropelled vehicle by which persons or property of others are moved for hire. **Note:** See Urban Transportation, line 50. (WAC 458-20-180)

Railroad: Operation of any railroad used for transportation of property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person engaging in such business. (WAC 458-20-179)

Railroad Car: Operation of cars used for transportation of property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person engaging in such business. (WAC 458-20-179)

Line 50

Urban Transportation: Operation of any motor-propelled vehicle by which persons or property of others are moved for hire within five miles of the corporate limits or entirely within the corporate limits of a city. (WAC 458-20-180)

Vessels Under 65 Feet: Operation of vessels under 65 feet upon waters entirely within Washington, except tugboats. (WAC 458-20-181)

Line 51

Other Public Service Business: Businesses not otherwise classified, subject to control by the state, or declared by law to be of a public service nature, such as airplane transportation, ferry, toll bridge, tugboat, or wharf businesses. (WAC 458-20-179)

SECTION V, OTHER TAXES

Line 52

Tobacco Products: Distributors selling tobacco products at wholesale, or retailers purchasing tobacco products directly from out-of-state sellers. (WAC 458-20-185)

Line 53

Refuse Collection: Refuse tax is paid by customers and remitted by the refuse collectors on the charge for refuse collection only. Landfill charges are subject to the refuse collection tax. **Note:** Gross income is also taxable under line 13, service and other activities B&O tax. (WAC 458-20-250)

Line 54

Petroleum Tax: Persons first possessing petroleum products in Washington. **Note:** This is a special fund. Once a predetermined amount has been reached, this line will be shaded and no tax will be due. When the fund falls below the predetermined amount, the shading will be removed and the tax will be due again. (WAC 458-20-252)

Line 55

Hazardous Substance Tax: Persons first possessing hazardous substances in Washington. The tax is imposed on the value of the goods defined as hazardous. (WAC 458-20-252)

Line 56

Solid Fuel Burning Device Fee: Retailers making sales of solid fuel burning devices collect the fee from consumers. These devices include wood stoves, coal stoves, fireplaces, including masonry and zero clearance fireplace inserts, and other similar devices which burn solid fuel. (RCW 70.94.483)

Line 57

Syrup Tax: The syrup tax is on the number of gallons of syrup sold to produce carbonated beverages sold at wholesale and retail in Washington. (WAC 458-20-255)

SECTION VI, CREDITS

Line 58

Multiple Activities Tax Credit (MATC): The Multiple Activities Tax Credit is available to certain manufacturers, extractors, and sellers doing business in Washington. Businesses are eligible for this B&O tax credit for gross receipts taxes paid in another jurisdiction or for taxes paid on multiple activities within Washington. Completion of the *Multiple Activities Tax Credit, Schedule C* is necessary each time credit is claimed, see page 18 of this guide. (WAC 458-20-19301)

Line 59

High Technology Credit: High Technology businesses may claim a B&O tax credit for research and development activities in Washington. Businesses performing research and development in the following areas qualify for the high technology credit: advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology. Completion of the *Declaration Research and Development Credit* is necessary each time credit is claimed. (RCW 82.04.4452)

Line 60

Manufacturing Software/Programming Rural Employment B&O Credit: Businesses developing or manufacturing software in rural counties are eligible for a B&O tax credit for employment positions created after July 1, 1999. The credit amount is \$1,000 for jobs created before July 1 of the credit year. The credit can be taken in the first year the position is created and for four years thereafter. Jobs created after July 1 are initially eligible for a \$500 tax credit in the first year and \$1,000 in the four following years. This credit expires on December 31, 2003. For more information, please call (800) 647-7706.
(ESHB 2260, Chapter 311, Laws of 1999)

Line 61

Help Desk Services B&O Credit: Businesses providing information technology help desk services by telephone or electronically, from rural counties are allowed a B&O tax credit equal to the amount of B&O tax due from activities performed at the rural county location. Information technology help desk services consist of the

following activities for software and hardware: maintenance; diagnostics and troubleshooting; installation; repair information and training; and upgrades. The tax credit expires on December 31, 2003. For more information, please call (800) 647-7706. (ESHB 2260, Chapter 311, Laws of 1999)

Line 62

Ride Share Credit for B&O Tax: Businesses providing incentives to employees that participate in ride-sharing, use public transportation or non-motorized commuting are eligible for this B&O tax credit. Telecommuting does not qualify. This credit is available to employers located anywhere in Washington regardless of the number of employees. For more information, please call Department of Revenue's Miscellaneous Tax Section at (360) 664-2202. Completion of the *Ride Share Credit Reporting Schedule* is necessary each time credit is claimed. (RCW 82.04.4453; 82.04.4454)

Line 63

International Services Credit: Businesses engaging in certain international services and creating and filling new employment positions in Community Empowerment Zones or contiguous designated census tracts meeting certain unemployment and poverty criteria may take the international services B&O tax credit. International services must be provided to persons domiciled outside the United States or be for use primarily outside this country. International services include the following: computer; data processing; information; legal; accounting and tax preparation; engineering, architectural; business consulting; business management; public relations and advertising; surveying; geological consulting; real estate appraisal; or financial services. For more information, please call (800) 647-7706. (RCW 82.04.44525)

Line 64

Small Business B&O Tax Credit: This B&O tax credit applies to B&O tax due of less than \$71 for monthly, \$211 for quarterly, and \$841 for annual reporters. Apply the credit after applying other B&O tax credits. The Small Business Credit Table for monthly and quarterly filers is located on pages 4 and 5 of this guide. The table is also enclosed with the tax return. (WAC 458-20-104)

Line 65

Ride Share Credit for Public Utility Tax: See the explanation for line 62, Ride Share Credit for B&O Tax. (RCW 82.16.047; 82.16.048)

Line 66

Electric Utility Rural Economic Development Revolving Fund Public Utility Tax Credit: Certain light and power businesses servicing rural areas are allowed a public utility tax credit of up to \$25,000 per year for amounts contributed to an electric utility rural economic development revolving fund. The total credit allowable in any calendar year is limited to \$350,000 on a first come, first served basis. The credit is also limited to 50 percent of amounts contributed to the fund. Unused credits can be carried forward to the following year. For more information, please call (800) 647-7706. (ESHB 2260, Chapter 311, Laws of 1999)

Line 67

Bad Debt Tax Credit: Bad debt tax credit is allowed for retail sales tax which has been remitted to the Department, but has become worthless or uncollectible and written off for IRS purposes. Completion of *Schedule B* is necessary if the sales tax rate at the time of sale is different from the rate on the tax return. When the rates are the same, the deduction may be taken on lines 15 and 16, retailing B&O tax and retail sales tax. See page 14 of this guide for an explanation of the Bad Debts deduction. (WAC 458-20-196)

Line 68

Hazardous Substance: Hazardous substance tax credit is allowed for the tax paid on the value of fuel which is carried from this state in the fuel tank of airplanes, ships, trucks, or other vehicles. This credit excludes from tax any possession of fuel which remains in the fuel tanks of any carrier vehicles powered by such fuel when they leave the state. (WAC 458-20-252)

Line 69

Other Credits:

Credit Memorandum: If you receive a credit memorandum from the Department of Revenue for previously overpaid taxes, write the amount on the Other Credits line of the tax return, and attach the Credit Memorandum to your tax return.

Sales Tax Paid to Other States: Tangible personal property acquired for use in this state without payment of Washington sales tax is subject to use tax. If you acquire such property and paid sales or use tax to another state before using the property in Washington, you may take a credit for the amount of tax paid in the other state. To take the credit:

1. Identify the value of the goods on lines 17 and 23 - 25 on page 1 of the tax return (see page 10 of this guide). This establishes the amount of use tax due in Washington.

- 2. Identify the amount of sales and use tax paid to another state on line 69, Other Credits (up to the amount of state and local use tax due in Washington).
- 3. Attach documentation verifying the amount and in which state the sales or use tax was paid. Such documentation includes invoices, etc.

DEDUCTION DETAIL

The deductions in this section apply to the classifications under which they are listed on the Deduction Detail sheet (pages 3 and 4) of the tax return. **Note: You must** attach the Deduction Detail page to any tax return on which you take a deduction. If the Deduction Detail pages are not completed, the deduction will be disallowed and you may be billed for additional taxes.

Advancements/Reimbursements, Returns and **Allowances** (Allowable on lines 5-15)

Advancements and reimbursements are (1) amounts received as a customary reimbursement for an advance made to procure a service for the client; (2) for services that the taxpayer does not and cannot render; and (3) amounts the taxpayer is not liable for payment except as an agent for the client. Returns and allowances are amounts received for goods returned when the cost is refunded or credited to the customer. (WAC 458-20-111; -108)

Amounts Derived From Distribution of Water Through Irrigation Systems (Allowable on line 45) Amounts derived from the distribution of water through an irrigation system, solely for irrigation purposes. (WAC 458-20-179)

Amounts Expended to Improve Consumer's Efficiency of Energy (Allowable on line 47)

Amounts expended to improve consumers' efficiency of energy end-use or to otherwise reduce the use of electrical energy or gas by the consumer, provided the installation of the measures to improve the efficiency was begun after June 12, 1980 and before January 1, 1990. (WAC 458-20-17901)

Amounts Paid to Another for Services Jointly

Provided (Allowable on lines 48-51)

Amounts paid by a taxpayer to another person taxable under the public utility tax for services furnished jointly by both. (WAC 458-20-179)



Amounts Received by Nonprofit Water Associations for Capital Projects (Allowable on line 45)

To qualify for this deduction, the income must be derived from the distribution of water **and** be used for capital improvements. Amounts which meet only one of these conditions are not deductible. (WAC 458-20-179)

Artistic/Cultural Activities (Allowable on lines 13-15)
Activities conducted by artistic or cultural organizations are not subject to B&O tax.
(WAC 458-20-249)

Bad Debts (Allowable on lines 1-16, 45-51, 53) Amounts previously reported and determined to be uncollectible. Must also be written off for IRS purposes. Also see page 13 of this guide, line 67: Bad Debt Tax Credit. (WAC 458-20-196)

Cash and Trade Discounts (Allowable on lines 1-3, 5-16, 45-51)

The amount of the discount may be deducted from the gross proceeds of sales if such amount was included in the gross amount reported. (WAC 458-20-108)

Casual Sales/Accommodation Sales (Allowable on lines 9, 15)

Casual sales consist of amounts received for sales of items by persons not usually selling such items. Accommodation sales are amounts received by a business for selling goods at cost to a like business to fill an existing order. **Note:** The seller must collect and remit the sales tax. (WAC 458-20-106; -208)

Certain Initiation Fees/Dues/Contributions (Allowable on line 13)

Bonafide initiation fees and dues received by a business for which no goods or services are given in return. The amount of fees and dues only give the payee the right to be a member. Contributions that are given as outright gifts for which no goods or services are given in return can also be deducted. (WAC 458-20-183)

Certain Network Telephone Service (Allowable on line 16)

Amounts for network telephone service, other than toll service, for residential customers and network telephone service paid for by using coins in a coinoperated telephone. (WAC 458-20-245)

Consignment Sales (Allowable on lines 9, 14, 15) Sales of consigned goods when the seller collects and remits the retail sales tax. (WAC 458-20-159) If you are the agent selling consigned goods (consignee), follow these steps:

- 1. Report commission income on line 13, service and other activities B&O tax.
- 2. Report the gross amount of consignment sales in column 1 on line 9, wholesaling, 14, retailing of interstate transportation equipment, or 15, retailing B&O tax.
- 3. In column 2 on line 9, 14, or 15, take a deduction for the gross amount of such sales.
- 4. On page 3, Deduction Detail, under the column titled *Ln 14-Retail. of Int...* or *Ln 15-Retailing*, take a deduction for the gross amount of sales on the line for *Consignment Sales*. If reporting on line 9, wholesaling, take a deduction on the line for *Other* and write the explanation "Consignment Sales".
- 5. In column 1 on line 16, state retail sales tax, copy the amount from line 15. For information about completing line 16, see page 1 of this guide.
- 6. Complete line 18, local sales tax. For information about completing line 18, see page 1 of this guide.

If you are the owner of consigned goods (consignor), follow these steps:

- Report the gross amount of consignment sales in column 1 on line 9, wholesaling, 14 retailing of interstate transportation equipment, or 15, retailing B&O tax.
- 2. Do not take any deductions for Washington sales of consignment goods.
- 3. In column 1 on line 16, state retail sales tax, copy the amount from line 15.
- 4. In column 2 on line 16, take a deduction for the gross amount of consignment sales.
- 5. On page 4, Deduction Detail, under the column titled *Ln 16-Retail Sales*, take a deduction for the gross amount of sales on the line for *Other* and write the explanation "RST paid by (seller's tax reporting account number)."

Exempt Food Sales (Allowable on line 16)

Food sold by retail businesses not required to have a food and beverage handler's permit or food purchased with USDA Food Stamps. (WAC 458-20-244)

Freight (Allowable on lines 5-7)

Freight and delivery costs incurred by a Washington manufacturer for out-of-state shipments. (WAC 458-20-136)

Gambling/Prizes/Cash Pay-Outs (Allowable on line 13) Amounts paid out or value of merchandise given as prizes in games of chance. (WAC 458-20-131)

Interest on Certain Investments, Loans, and/or Obligations (Allowable on line 13)

Interest received on investments or loans primarily secured by first mortgages or trust deeds on nontransient residential properties. Interest received on obligations of the state of Washington, its political subdivisions, and municipal corporations. Interest received on direct obligations of the federal government. (Interest attributable to loans or other financial obligations on which the federal government is merely a guarantor or insurer does not qualify.) (WAC 458-20-146; -14601)

Interstate and Foreign Sales (Allowable on lines 9,10, 12-16, 45, 47-52)

Goods sold and delivered to customers outside of Washington or transportation of persons or goods across state or international boundaries. Documentation is necessary. **Note:** Manufacturers and extractors who sell outside of Washington must report under line 7, manufacturing, or line 1, extracting classifications; this deduction is not valid for those transactions. Service providers must render the service outside the state. (WAC 458-20-193)

Low Density Light and Power Utility Deductions (Allowable on line 47)

This applies only to those light and power businesses with retail power rates exceeding the state average power rates *and* which have 16 or fewer customers per mile of distribution power lines. (WAC 458-20-179)

Motor Vehicle Fuel Tax (Allowable on lines 9, 15)

The selling price of motor vehicle fuel for use on Washington roads includes state and federal fuel taxes. B&O tax does not apply to these taxes. This deduction allows the wholesaler or retailer to exclude fuel taxes. **Note:** Only sellers of fuel may take this deduction. (WAC 458-20-126)

Motor Vehicle Fuel Sales (Allowable on line 16)
Sales of gasoline and diesel fuel for use on Washington roads. Note: Only sellers of fuel may take this deduction. (WAC 458-20-126)

Newspapers (Allowable on line 16)

Sales of newspapers are not subject to sales tax. (WAC 458-20-143)

No Local Activity/Direct Sellers (Allowable on lines 9, 15)

Sales made in Washington by an out-of-state seller without activities in Washington, which establish,

maintain or facilitate a market for its products or services. Also, sales of consumer products made to or through a direct seller's representative. (WAC 458-20-193; -246)

Other (Allowable on lines 1-16, 45-53, 55)

Most allowable deductions are listed on the Deduction Detail sheet. Your business, however, may have a specific deduction allowed by law that is not listed. Please refer to the statute governing your type of business, or call your local Revenue office to ensure the deduction is valid. Invalid deductions will be disallowed. Use of the *Other* deduction line requires appropriate documentation or explanation. A 'resale' deduction is not valid under retail sales tax. Report amounts sold for resale under the wholesaling classification of the B&O tax. Also, there are no deductions for labor, materials, or any other cost of doing business.

Percentage of Radio/TV Advertising (Allowable on line 10)

Gross receipts from national, network, or regional advertising may be deducted from radio and television broadcasting stations' gross income reported or a 'standard deduction' may be applied. The standard deduction is a percentage determined annually from statistics published by the Federal Communications Commission. (WAC 458-20-241)

Prescription Drugs/Hearing Aids/Lenses/Etc.

(Allowable on line 16)

Sales of the above items are exempt from sales tax when the buyer presents a prescription. (WAC 458-20-18801)

Prescription Drugs Sold by Publicly Operated or Nonprofit Hospitals (Allowable on line 15)

Nonprofit organizations operating kidney dialysis facilities, homes for unwed mothers where the operating organization is also a religious or charitable organization, and nonprofit nursing homes on their sales of prescription drugs. (WAC 458-20-18801; -168)

Purebred Livestock for Breeding (Allowable on line 16)

Sales of purebred livestock for breeding purposes where the animals are registered with a nationally recognized breeding association, including dogs and cats. Sellers must receive an exemption certificate from the buyer. (WAC 458-20-122)

Qualified Nonresident Sales (Allowable on line 16)
Sales of tangible personal property for use outside of
Washington by residents of: Alaska, Delaware,
Montana, New Hampshire, Oregon, American
Samoa, Guam, North Marianas Islands, Puerto Rico,

Virgin Islands, the Province of Alberta and the Territory of the Yukon. **Note:** When making tax exempt sales, the seller **must** see photo identification, such as a drivers license, issued by the buyer's state of residence. The seller must also record certain information. Excise Tax Advisory (ETA) 316.08.193 provides further information as to the seller's responsibilities. (WAC 458-20-193)

Returned or Destroyed Goods (Allowable on line 52) Deduction for tobacco products destroyed or returned to the manufacturer on which the tax was previously paid. (WAC 458-20-185)

Returns and Allowances (Allowable on line 16)
Amount of the sales price on which sales tax has been returned or credited to the purchaser.
(WAC 458-20-108)

Ride Sharing Vans (Allowable on line 16)
Sales of passenger motor vehicles which are to be used as ride-sharing vehicles. (RCW 82.08.0287)

Sales of Feed to Fish Farmers (Allowable on line 16)
Sales of feed to fish farmers. Sellers must receive a
resale certificate from the buyer.
(WAC 458-20-102; -122)

Sales of Manufacturing Machinery/Equipment and Installation Labor (Allowable on line 16)

Sales of machinery and equipment, including repair and replacement parts with a useful life in excess of one year, to manufacturers and processors for hire for direct use in manufacturing operations. This exemption includes charges for installation, labor and services. Sellers must obtain a manufacturer's sales and use tax exemption certificate from the buyer. (RCW 82.08.02565)

Sales of Nonprofit Artistic/Cultural Art Objects for Displays (Allowable on line 16)

Purchases of art objects or property by artistic or cultural organizations for use in displaying art objects or providing exhibitions are exempt from sales tax. The seller must receive an exemption certificate from the buyer. (WAC 458-20-249)

Sales to Enrolled Indian Tribal Members with Delivery on the Reservation (Allowable on line 16)

Sales delivered on Indian reservations to an enrolled member of that tribe. Every member of a recognized tribe has an enrollment document. A seller making a sales tax exempt sale to a Native American must copy the information. Records must show that the seller, its employees, or a for-hire carrier acting as the vendor's agent, delivered the goods to or performed services on the reservation of the tribe in which the purchaser is enrolled. **Note:** An exemption certificate is necessary for sales of automobiles delivered on the reservation. Copies should be kept by the buyer and seller. (WAC 458-20-192)

Sales to Other Refuse Collectors (Allowable on line 53)

Persons who collect the refuse collection tax and who, themselves, use the further services of others for the transfer, storage, or disposal of the waste collected are not required to again pay the tax to such other service providers. The refuse collection business must provide the other refuse service provider with a refuse collector's exemption certificate. (WAC 458-20-250)

Sales to US Government (Allowable on lines 16, 52, 53)

Sales of tangible personal property or labor to repair or install tangible personal property for the U.S. Government, its institutions, departments, and industries. (WAC 458-20-185; -190; -250)

Tax Deferral Investment - Certificate Number (Allowable on line 16)

Sales to persons approved for sales tax deferral by the Department of Revenue. Sellers must keep a copy of the purchaser's deferral certificate. (RCW 82.60; 82.61; 82.63)

Tax In Gross (Allowable on lines 15, 16)

Use to "back out" the amount of retail sales tax included in the gross amount reported on lines 15 and 16 only if the gross amount includes retail sales tax.

Tax Paid at Source (Allowable on line 16) Amount on which sales tax was previously paid on goods purchased for resale without intervening use.

goods purchased for resale without intervening use. (WAC 458-20-102)

Trade-In Allowance (Allowable on line 16) Amount allowed for trade-in property of like kind. (WAC 458-20-247)

Common Business Activities and Tax Classifications

This table shows some common classifications as shown on the Combined Excise Tax Return. *It provides general reporting guidelines, not specific reporting instructions.* For instance, if you conduct multiple activities, it may be necessary to report under several B&O tax classifications. Specific activities, such as cigarette sales, may also be subject to other taxes. If you have further questions, please call or visit one of our field offices.

Business Activity	Common Tax Classification *	Rules/Laws
Accounting, Bookkeeping, Tax Preparation	S&O	WAC 458-20-224
Actuarial	S&O	WAC 458-20-224
Advertising Agencies	S&O	WAC 458-20-218
Amusement & Recreation Services	RET, RST, RTA, S&O	WAC 458-20-183; RCW 82.04.050
Appraiser	S&O	WAC 458-20-224
Architects	S&O, RET, RST, RTA	WAC 458-20-170; 224
Athletic Clubs	RET, RST, RTA, S&O	WAC 458-20-183
Attorneys	S&O	WAC 458-20-103 WAC 458-20-207
Beauty Salon/Barber	S&O, RET, RST, RTA	WAC 458-20-138; 224
Business Consulting	S&O	WAC 458-20-224
Car Wash	RET, RST, RTA	WAC 458-20-173
Catering	RET, RST, RTA, WHL, KCFB	WAC 458-20-119; 124; 12401
Child Care	CHI (School Age Children)	WAC 458-20-167; Childcare Brochure, HB 2335
		(Ch 312, Laws of 1998)
Collection Contracts (Without Escrow)	S&O	WAC 458-20-156
Commission Salespersons/Agents	S&O	WAC 458-20-159
Computer Services	S&O, RET, RST, RTA, WHL	WAC 458-20-155
Consumer Goods	RET, RST, RTA, WHL, LIT	RCW 82.04.050
Construction	WHL, RET, RST, RTA, PRC, GOV	WAC 458-20-170; 17001; 171; 172; 173
Court Reporters	S&O	WAC 458-20-224
Credit Bureau Services	RET, RST, RTA	RCW 82.04.050
Data Processing	S&O	WAC 458-20-155
Dentists/Orthodontists	S&O, RET, RST, RTA	WAC 458-20-151
Design Services	S&O, RET, RST, RTA	WAC 458-20-224; RCW 82.04.050
Engineers	S&O, RET, RST, RTA	WAC 458-20-170; 224
Escrow Services	RET, RST, RTA	WAC 458-20-156
Farming for Hire	S&O	WAC 458-20-209
Graphic Design	S&O, RET, RST, RTA	WAC 458-20-224; 155; RCW 82.04.050
Grocery & Convenience Stores	RET, RST, RTA, LIT	WAC 458-20-244; 243
Hotel, Motels	RET, RST, RTA, C&T, SHM, KCFB,	WAC 458-20-118; 124; 12401; 166
110001, 11100010	S&O	Wile 180 20 110, 12 1, 12 101, 100
Insurance Agent, Broker, Solicitor	IAC	WAC 458-20-164; 163
Insurance Adjuster	S&O	WAC 458-20-104, 105 WAC 458-20-212
Janitorial	S&O	
		WAC 458-20-172
Landscape Gardeners	RET, RST, RTA	WAC 458-20-226; RCW 82.04.050
Laundry Services	RET, RST, RTA	WAC 458-20-165; 173
Legal, Arbitration, & Mediation	S&O	WAC 458-20-207; 224
Mailing Bureaus	RET, RST, RTA, WHL	WAC 458-20-141
Newspaper Delivery	RET, RST	Special Notice 12/20/94
Optometrists	S&O, RET, RST, RTA	WAC 458-20-150
Painting	RET, RST, RTA, WHL, GOV	WAC 458-20-173; 170; 17001
Photographers	RET, RST, RTA, RTA, WHL, S&O	WAC 458-20-140
Physicians	S&O	WAC 458-20-138; 151; 18801
Pressure Washing	RET, RST, RTA, WHL	WAC 458-20-173; RCW 82.04.050
Private Investigators	S&O	WAC 458-20-224
Protective Services	S&O	WAC 458-20-224
Rental of Equipment w/o Operator	RET, RST, RTA, WHL	WAC 458-20-211; RCW 82.04.050
Repair Tangible Personal Property	RET, RST, RTA, WHL	WAC 458-20-173
Restaurants	RET, RST, RTA, LIT, KCFB	WAC 458-20-12401; 119; 124
Royalties	ROY	SB 6449 (Ch 331, Laws of 1998)
Sales of Goods to US Government	RET, RST	WAC 458-20-190
Sales to State/Local Government/Schools	RET, RST, RTA	WAC 458-20-189
Secretarial/Clerical/Stenographers	S&O	WAC 458-20-224
Software	RET, RST, RTA, S&O	WAC 458-20-155; SSB 6470 (Ch 332, Laws of 1998
Taxi	URB, MTR	WAC 458-20-180, 179
Travel Agents	TAC	WAC 458-20-258
Trucking	URB, MTR	WAC 458-20-180, 179, 193D
Vending Machines	RET, RST, RTA	WAC 458-20-244
Veterinarians	S&O, RET, RST, RTA	WAC 458-20-222
	* Common Tax Classifications	
C&T - Convention & Trade, page 10.	MTR = Motor Transportation PUT, page 11.	S&O = Service & Other Activities B&O, page 9.
CHI = Child Care, page 9.	PRC = Public Road Construction, page 9.	SHM = Special Hotel/Motel, page 11.
GOV = Government Contracting, page 9.	RET = Retailing B&O, page 10.	TAC = Travel Agent Commission, page 8.
IAC = Insurance Agent Commissions B&O, page 8.	ROY = Royalties, page 9.	URB = Urban Transportation PUT, page 11.
KCFB = King County Food & Beverage, page 10.	$RST = Retail\ Sales\ Tax,\ page\ 10.$	WHL = Wholesaling B&O, page 9.



STATE OF WASHINGTON MULTIPLE ACTIVITIES TAX CREDIT

SCHEDULE C

NAME	REG. NO.
FIRM NAME	
ATTACHED TO:	, EXCISE TAX RETURN

INSTRUCTIONS FOR PART I

Use Part 1 ONLY if you have paid taxes to other states with respect to activities also taxable in Washington.

- 1. Find the Activity (A through E) which applies to your business (more than one activity may apply).
- 2. Enter in Column 1 the taxable amount pertaining to that activity as reported on the Combined Excise Tax Return.
- 3. Enter in Column 2 the amount of Washington B & O Tax due on the amount in Column 1.
- 4. Enter in Column 3 the amount of gross receipts tax paid to other states under the appropriate heading.
- 5. Enter in Column 4 the lesser of the amounts entered in Columns 2 and 3.
- Add all amounts in Column 4 and enter in the Subtotal Box.

PART 1 - EXTERNAL CREDITS "Taxes Paid To Other States"

		Column 1	Column 2		Column 3			Column 4
	ACTIVITY WHICH RESULTS		B & O		Gross Receipts Taxes	Paid		
	IN A TAX CREDIT	Taxable Amount	Taxes Paid	Other U.S. States	Non-Washington Local Govts.	Foreign Countries and Territories	Line Code	Total Credit
A.	Sales in Washington of products extracted outside of Washington						67	
B.	Sales in Washington of products manufactured outside of Washington						67	
C.	Washington manufactured products extracted outside of Washington						67	
D.	Washington extracted products sold outside of Washington						68	
E.	Washington manufactured products sold outside of Washington						68	
	'		<u>'</u>	1	Multiple Activities of taxes paid to oth	Tax Credit Subtota er states.	l	

INSTRUCTIONS FOR PART II

Use Part II <u>ONLY</u> if you have reported taxable amounts under two or more Washington B & O tax classifications. Make no entries in the shaded boxes.

- 1. Find the Activity (F, G or H) which applies to your business (more than one activity may apply).
- Enter in Column 1 the taxable amount pertaining to this activity.
 Enter in Column 2 the B & O Tax applicable to this activity unde
- 3. Enter in Column 2 the B & O Tax applicable to this activity under the appropriate heading(s). (Use the appropriate tax rates for your activities as shown on the Combined Excise Tax Return, Column 5).
- 4. For Activity F enter in Column 3 the tax amount listed under Extracting.
- 5. For Activity G combine the amounts entered under wholesaling and retailing and enter the result in Column 3.
- 6. For Activity H combine the amounts entered under wholesaling and retailing. Enter in Column 3 the lesser of the manufacturing or the combined wholesaling and retailing amount.
- 7. Add all amounts in Column 3 and enter in Subtotal Box.

PART II - INTERNAL CREDITS "Taxes Paid To Washington State"

Column 1 Column 2 Column 3 ACTIVITY WHICH RESULTS **Business And Occupation Tax Reported** Total Taxable IN A TAX CREDIT Extracting Wholesaling Retailing Code Credit Amount Manufacturing F. Washington extracted products manufactured in Washington 16 Washington extracted products G. sold in Washington 16 Washington manufactured products H. sold in Washington 07

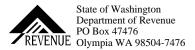
Multiple Activities Tax Credit Subtotal of taxes paid to Washington State.

Enter the total credits from Part I and Part II in this box and transfer the amount to the Multiple Activities Tax Credit line on the Combined Excise Tax Return

,	Credit	
	ID 800	

To inquire about the availability of this document in an alternate format for the visually impaired or in a language other than English, please call (360) 753-3217. Teletype (TTY) users may call (800) 451-7985. You may also access tax information on our Internet home page at http://www.wa.gov/dor/wador.htm.

REV 40 0014 (7-16-96)



SUPPLEMENT FORM 40 2406

LOCAL CITY AND/OR COUNTY SALES AND USE TAX

Use this form if space on page 1 FORM 40 2406 is not sufficient

Year		
	-	

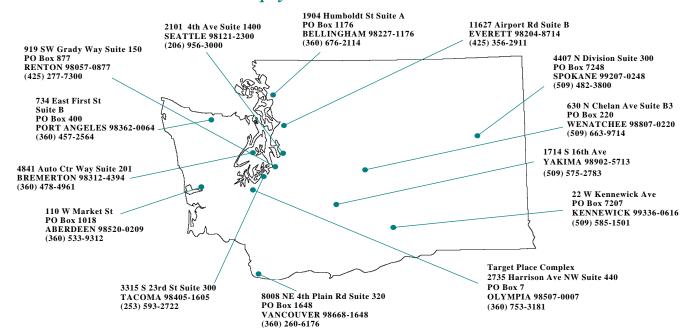
Name	Tax Reporting Account No.	 _

If you have business activity in more than one location, use the space below to show breakdown of income by city or county. Group sales tax and use tax separately.

SALES TAX [45]					USE TAX [46]			
City or County Code	Taxable Amount	Rate of Tax	Tax Due City or County	City or County Code	Taxable Amount	Rate of Tax	Tax Due City or County	
+								
+								
L	otal Same as Line 16, Col 3	Dα 1	Add Total Sales Tax Due		Total Same as Line 17, Col 1	Do 1	Add Total Use Tax Du	

REV 40 0015 (11-12-97)

Taxpayer Assistance Locations



Need Assistance or Tax Forms? Please call the location nearest you, or call (800) 647-7706, (360) 786-6100 in the Olympia area. Teletype (TTY) users may call (800) 451-7985.

 Name of Seller 		2. Name of Buyer/Business:			
. Address of Buy	er:				
	Street	City, State	Zip Code		
. Buyer's UBI/Re	venue Registration Number:	5. Buyer is in the business of	of:		
. Types of items	purchased for resale:				
he buyer certif	es that it is purchasing the items lis	sted on line 6 (please check appropriate box):			
q	for resale in the regular course of business without intervening use.				
q	for use as an ingredient or component part of a new article of tangible personal property to be produced for sale				
9					
q					
he buyer ackno	e resale privilege subjects the buyer	e for purchasing within the categories listed on liner to a penalty of 50 percent of the tax due , in add			
ny other penali	ies imposed by iaw.				
		erson Authorized By the Buyer to Sign the Resale Certif	icate		
ny other penali		erson Authorized By the Buyer to Sign the Resale Certif	icate		
ny other penali Print Name:		erson Authorized By the Buyer to Sign the Resale Certif Signature of Authorized Agent of the Buyer	icate		
ny other penali Print Name:	Name of Pe		icate		

24-Hour Automated Services

The Department of Revenue's Telephone Information Center offers several automated services. With the exception of *Tax Express* and Revenue's Internet home page, you can access any of these services by calling (800) 647-7706. Listen to the menu and select the option you wish to use.

Fast Fax- transmit documents directly to your fax machine. For a list of available documents, enter code 500#. To bypass menu selections, call (360) 786-6116.

Workshops- call to attend one of the spring or fall UBI Business Information Workshops.

Vehicle or vessel fraud- report vehicle or vessel licensing fraud.

Address changes- notify us if you have moved or changed your mailing address.

Business closures- notify us if you have closed or sold all or a part of your business. If you've sold your business, tell us who you sold the business to and whether you'll continue to do business under your UBI/tax registration number.

Master Application- request a new Master Application if you're changing your business structure (legal entity), changing or adding a trade name, opening a new location, reopening a closed business, divorcing and your spouse is no longer responsible for the business, changing your principle product or service and a license from another agency is required, or transferring the majority of a corporation's stock to different individuals.

Copies of rules, laws, or other department publications- request a rule, law, or other publication. An order form listing the Department's fact sheets and brochures is available via *Fast Fax*, code 501#.

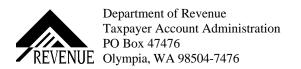
Proposed rules- leave informal comments on proposed rule changes or ask to be placed on a mailing list to receive notice of future proposed rulemaking actions.

Delinquent notices/no tax returns- clear the delinquency if you have received a delinquent notice and you have no business to report.

Duplicate tax returns- request a new tax return if you've misplaced your tax return. You can have the return faxed or mailed. Have your UBI/tax registration number ready when calling.

Tax Express- listen to prerecorded tax information by calling (800) 334-8969. To listen to the topic of your choice, enter the three-digit code. To receive a list of topics and codes, call (800) 647-7706 and leave a message with the automated voice attendant.

Revenue's home page- see what's new on our home page: http://www.dor.wa.gov



BULK RATE US POSTAGE PAID Washington State Dept. of Printing

Order Form

The Department of Revenue offers numerous publications covering a wide range of topics. These publications are available upon request from any Department of Revenue local district office, or by calling the Telephone Information Center at (800) 647-7706, or by completing this form and mailing it to: Department of Revenue, Taxpayer Services Division, PO Box 47478, Olympia, WA 98504-7478. Many of these publications are also available on the Department's Internet web site at http://www.dor.wa.gov.

<u>Oty</u>	<u>Publication</u>	Oty	<u>Publication</u>	<u>Qty</u>	<u>Publication</u>
	Active, Nonreporting Business		New Business Handbook		Real Estate Transactions and Use Tax
	Aircraft Taxes		Nonprofit Organizations		Retail Sales Tax
	Audit Process		Outline of Major Taxes		Small Claims Hearings
	Below Minimum		Personal Property Tax		Tax, Title and Registration of Boats
	Business and Occupation Tax	-	1 2		Taxpayer Rights and Responsibilities
	Business Tax Overview		Property Tax Deferrals for Senior Citizens and Disabled Persons		Temporary Business Registration
	Child Care Operators		Property Tax Exemptions for Senior		Unclaimed Property
	Cigarette Tax		Citizens and Disabled Persons		Use Tax
	Collection Process		Resale Certificate	-	Osc Tax
	Deferrals, Credits and Exemptions	Other			
	Electronic Funds Transfer		Excise Tax Bulletin (ETB)		(identify by number)
	Electronic Filing		Numerical listing and titles of ETBs		(taentify by number)
	Farm Use Tax		<u>-</u>		
	Fast Fax		Special Notice	(identify by	number and title)
	Fish Taxes		Tax Topics article reprint	(
	Hazardous Substance Tax		_ Tail Topics at these reprint		
	High Tech B&O Tax Credit		(please include	code, issue an	ad article)
	Home Owner's Guide to Property		WAC (Rule)		
	Tax	(identify by number)		by number)	
	Horse Industry Tip Sheet		Washington Tax Facts		
	How to Amend Your Combined Excise Tax Return		D GW	(1	identify by name)
	Excise Tax Return		RCW	(identify	by number)
Please S	Send Publication(s) To:			(identity)	ov number)
Contact	Person:				
Business					
Street A	ddress:				
City, Sta	ate, Zip:				